CBC Radio-Canada

MEETING THE NEEDS OF CANADIANS

August 2010

Corporate Plan Summary

2010-2011 to 2014-2015

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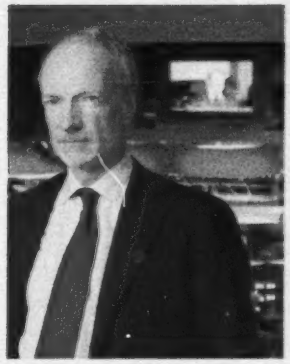
Message from the President and CEO



The completion of the second year of my mandate affords an opportune time to reflect on the last 12 months, a period marked by turmoil and financial challenges, but also by programming successes.

Canada's national public broadcaster began 2009-2010 facing a budget shortfall of $171 million — about 10 per cent of our total budget for 2008-2009, or 16 per cent of our Government appropriation — which forced us to make many difficult decisions and choices. The shortfall was caused mainly by a sudden, dramatic acceleration in the decline of television advertising revenues (as companies cut back spending in response to the worldwide economic slowdown) and by rising production costs. We, like other Canadian conventional television broadcasters, depend on advertising revenue to survive: in our case, between 40 and 50 per cent of our television budgets depend on commercial revenue.

To deal with this shortfall, we implemented a comprehensive financial recovery plan over a two-year period. Approximately 800 full-time positions were eliminated across the Corporation, and many television and radio programs were cancelled or scaled back in 2009-2010. These cuts triggered additional downsizing costs of approximately $36 million. To fund these costs and to support programming until savings from the budget cuts began to materialise, we needed to sell some of our assets, and we did.

These cuts were painful for all of us at CBC|Radio-Canada; not a single service was spared. And, of course, our audiences were affected and disappointed by the cancellation and the reduction in the number of episodes of certain programs. Still, by choosing to not close any of our stations, we maintained our presence in all regions of the country.

We have completed our downsizing and are now at the halfway point in our two-year recovery plan. The proceeds from our last asset sale, approved by Government in December 2009, will help ensure that we have the resources necessary to complete our recovery plan in 2010-2011.

Ongoing Programming Success

While balancing our budget was a major achievement in 2009-2010, what we have achieved in our programming was nothing short of extraordinary, particularly considering the financial pressures we have faced.

CBC Television is focused on addressing the historic problem facing English-language television in Canada, which is that Canadians prefer US shows to their own. For the second consecutive season, CBC Television's predominantly Canadian prime-time schedule garnered a larger share than that of one of its main private competitors, which offered a schedule of mostly US entertainment programs. Moreover, while the shares of other conventional broadcasters in North America have been declining, CBC Television's prime-time share of 9.3 per cent

during its latest programming season (excluding the Olympics) marked its highest share since 2001-2002.

Télévision de Radio-Canada maintained its strong position in prime-time, despite ever-increasing competition from reality shows and a plethora of specialty channels. Shows like *Les Parent*, *L'auberge du chien noir*, *Les Boys*, *Trauma*, and *Providence* regularly draw audiences of a million-plus and *Tout le monde en parle* continues to attract more than a million viewers each Sunday night, despite facing strong competition.

Our radio services continued their outstanding performances. CBC Radio One's share of 11.1 per cent matched its previous record attained one year ago, and its local weekday morning shows ranked in the top three in 21 of the 22 markets in which they were offered. And Radio de Radio-Canada reached more Canadians than ever before, almost 1.5 million, while capturing almost one-fifth of all radio listening by francophones in Canada.

It's not only our conventional services that are attracting large audiences. Every month, our Internet sites draw six million visitors, who download over 1.2 million podcasts of our programs.

Another key achievement this year was the renewal of CBC News, a process driven by extensive audience research. Canadians told us that they wanted control over how they receive the news, so that it is available in whatever format they prefer, 24 hours a day, seven days a week. They wanted more live coverage of evolving stories and more ways to participate and contribute. We have delivered on all of these preferences, and we will continue to refine and extend our integrated news programming across all of our traditional and non-traditional platforms.

Financial Challenges Remain

Despite our success in balancing our budget and continuing to draw large audiences at a time when Canadians have more media choices than ever before, CBC|Radio-Canada continues to face serious financial challenges.

Chief among these is the broken business model for conventional television in Canada. As I stated in my opening paragraphs, CBC|Radio-Canada and other Canadian conventional television broadcasters depend on advertising revenues. As competition from specialty channels and other platforms increases, advertising revenues for conventional television continue to decline.

The CRTC in its decision of March 22, 2010 recognized the severity of this financial crisis when it agreed that private conventional broadcasters be allowed to negotiate a fair value for their signals with cable and satellite companies. This same right was denied to CBC|Radio-Canada, however. While the CRTC recognizes our critical importance, financial reality and uncertain future, it has not suggested any means by which we could continue to play an essential role in the system. We were extremely disappointed with the decision of the CRTC and are still evaluating its impact on our ability to carry out the initiatives articulated in this Plan.

We are hopeful that the coming year will bring a degree of financial certainty. We need this certainty to be able to effectively plan for the future.

Future Strategic Direction

Our recovery plan has left us with a permanent budget reduction of $133 million from the 2008-2009 level. In the wake of this reduction, as well as the staff and programming reductions required by our recovery plan, CBC|Radio-Canada has now launched a new strategic planning approach, which we call "Driving Towards 2015," that will set our course towards 2015.

The goal of "Driving Towards 2015" is to rise above day-to-day issues to determine how the national public broadcaster must change to meet

the rapidly changing needs of audiences and to focus our limited resources on what matters most in achieving our mandate. Through this process, we will be guided by three principles that are essential to meeting our mandate.

First, we must continue to be the home of Canadian content. That means being the most important creator and broadcaster of programming that shapes the Canadian experience, which tells Canadian stories, that reflects our sense of humour, and that showcases our people, our communities, and our geography.

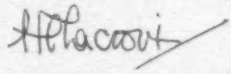
Second, we must deliver our content across all media platforms, making it available to audiences whenever, wherever and however they want it.

Finally, we must be deeply rooted in Canada's regions to ensure that we reflect local concerns and perspectives and give Canadians a forum for connecting to and sharing Canada's diversity and richness. This connection to the regions is an essential part of our mandate, and it is why only a minimal part of the reductions in our recovery plan were made in the regions - 14 per cent in the case of Radio-Canada and 20 per cent for CBC.

Underlying these principles are our three corporate priorities: People, because they are our key asset; Programs, because they are our core competency; and Pushing Forward, so that we can adapt to challenges and exploit opportunities.

Our Leadership Role

This past year, our difficult financial situation slowed down our progress towards becoming an even more relevant and dynamic national public broadcaster for Canadians, but it did not stop it. Our new long-term planning process will allow us to fully articulate our vision of a strong, vibrant CBC|Radio-Canada at the centre of a revolution in broadcasting that is giving audiences more choice and more opportunity to contribute and participate than ever before. These are challenging times for Canada's broadcasting industry, but they are also charged with unprecedented potential.



Hubert T. Lacroix
President and CEO

Reaching Canadians in Many Ways

CBC | Radio-Canada is the only Canadian broadcaster delivering a comprehensive range of radio, television, Internet, and satellite-based services to Canadians, in English, French and eight Aboriginal languages. The Corporation's broadcasting reach extends across Canada and around the world, offering high-quality distinctive content by, for and about Canadians, however and wherever they want it.

ENGLISH SERVICES

CBC Radio One (news, current affairs, arts, and culture via radio and Sirius Satellite Radio Channel 137)

CBC Radio 2 (classical, jazz and popular music via radio and four online channels: Classical, Jazz, Canadian Songwriters, Canadian Composers)

CBC Radio 3 (emerging Canadian music via the Internet, podcast and Sirius Satellite Radio Channel 86)

CBC Television (news, information, sports, and entertainment)

CBC News Network (continuous news and information via television)

bold (drama, comedy, performing arts, and sports coverage)

documentary (Canadian and international documentaries, films and series)

CBC.ca (news, information, streaming video and audio, sports highlights, Web features, and multimedia archives)

FRENCH SERVICES

Première Chaîne (information and cultural programming via radio)

Espace musique (classical, jazz, vocal, world, and emerging music via radio)

Bande à part (popular and alternative French-language music via Espace musique, the Internet, podcast, and Sirius Satellite Radio Channel 87)

Espace classique (customised classical music via the Internet)

Espace jazz (customised jazz via the Internet)

Espace monde (customised world music via the Internet)

Première plus (news, current affairs and culture, in partnership with Radio Canada International and Radio France International, via Sirius Satellite Radio Channel 94)

Sports extra (sports information and analysis via Sirius Satellite Radio Channel 96)

Télévision de Radio-Canada (news, current affairs, drama, culture, variety, sports, and programming for children and youth)

Réseau de l'information de Radio-Canada (RDI) (continuous news, information and current affairs via television)

TOU.TV (on-demand Web television, created by Radio-Canada, featuring programming from 20 national and international producers and broadcasters)

ARTV (arts and culture)

TV5MONDE (programming featuring diverse cultures and perspectives, from 10 broadcast partners, including Radio-Canada)

Radio-Canada.ca (news, information, streaming video and audio, and Web features)

COMBINED SERVICES

RCI RADIO CANADA INTERNATIONAL

Radio Canada International (Canadian information and culture in seven languages via the Internet, digital and analogue shortwave, satellite, and partner stations worldwide)

RCI plus

RCI plus (programming in seven languages from Radio Canada International and national and international partners via Sirius Satellite Radio Channel 95)

CBC north

CBC North (linking Canada's northern communities via radio and television, in English, French and eight Aboriginal languages)

CBC Radio-Canada

CBC News Express/RDI Express (bilingual news and information service in five large Canadian airports, serving over 62 million travelers annually)

CBC RECORDS LES DISQUES SRC

CBC Records/Les disques SRC (label recording Canadian musicians and releasing about eight CDs annually)

.ca MOBILE

Mobile Services/Services mobiles (programming for mobile and iPhone sites, SMS alerting services, including CBC News Network and RDI as live streams and on-demand videos)

mobiles

CBC MobileProductions/ Les Productions mobiles de Radio-Canada (services for in-house production, and generating programming revenue by selling to the third party market)

shop

CBC Shop/Boutique Radio-Canada (on-site and online shop selling CBC | Radio-Canada audio and audio/visual recordings of programs, as well as related merchandise)

Key Business Units

CBC|Radio-Canada Business and Operating Units engage in a range of non-broadcasting activities to support the Corporation's corporate priorities and programming activities. Besides efficiently supporting the creation and airing of high-quality Canadian programming, these units generate significant revenue that is reinvested in programming.

1. Real Estate Services

Real Estate Services manages CBC|Radio-Canada's portfolio of more than four million square feet of real estate across Canada. It optimises revenues by selling or renting surplus assets and generates savings by managing CBC|Radio-Canada real estate centrally and efficiently. Real Estate Services frees up funds that can be invested in programming while ensuring that all CBC|Radio-Canada business units have the facilities they require to deliver their mandates.

2. CBC|Radio-Canada Technology Strategy Board (TSB)

In 2009, the Board approved a recommendation to create a Technology Strategy Board (TSB), comprising both the media and technology sectors. The TSB has been charged with producing and implementing a corporate-wide technology strategy in support of corporate and business objectives, and overseeing the governance of CBC|Radio-Canada's technology infrastructure.

3. CBC Mobile Productions

CBC Mobile Productions ensures that programs, such as *Hockey Night in Canada*, have access to mobile production equipment. It also generates revenues for re-investing in programming by renting excess capacity.

4. CBC's Merchandising Division

The Merchandising Division generates revenues by licensing, selling and distributing CBC|Radio-Canada CDs, DVDs, digital downloads, books, clothing, and licensed merchandise from one of the most widely recognised brands in the country. More than half a million CBC|Radio-Canada products found their way into Canadian households in 2008-2009.

5. Shared Services

This division was created to optimise the delivery of transactional and administrative services, employing industry best practices in Human Resources, Information Technology and Finance and Administration.

Meeting the Needs of Canadians in Turbulent Times

The economic downturn and its consequences touched all aspects of the environment in which CBC|Radio-Canada operated in 2009. Dramatically falling advertising revenues meant that all conventional television broadcasters, including CBC|Radio-Canada, had to cut costs to balance their budgets. Meanwhile consumers, undaunted by the economic downturn, continued to embrace new technologies that provided audio or video content anywhere, anytime. It was in the context of these dramatic changes that Canada's broadcast regulator conducted hearings on whether Canada's current television broadcasting system had become unbalanced. Yet, throughout this period of unprecedented turmoil, CBC|Radio-Canada continued to successfully meet the needs of Canadians.

THE ECONOMY DOMINATES ALL

The global economic downturn hit suddenly in mid-2008 and continued throughout most of 2009, and its consequences will be felt for many years to come. In 2009, Canada's GDP contracted by 2.5 per cent, following negligible growth in 2008. With the unemployment rate spiking to 8.5 per cent (in November 2009), consumer spending stagnated in 2009. Business investment, on the other hand, dropped a whopping 19.9 in 2009.

In response to the dramatic slowdown of the economy, the Government implemented its $62 billion Economic Action Plan. This stimulus was not directed to all sectors of the economy, but rather focused on those that had been hardest hit – the auto and construction industries, for example. The broadcasting sector was not singled out for special assistance.

YEAR	ECONOMIC ACTIVITY (GDP)	CONSUMER SPENDING	BUSINESS INVESTMENT	UNEMPLOYMENT RATE	INFLATION (CPI ALL ITEMS)
2008	0.4	3.0	0.2	6.1	2.4
2009	-2.5	0.4	-19.9	8.3	0.3
2010 (estimate)	3.3	3.4	-2.2	8.1	2.0
2011 (forecast)	3.0	3.5	4.3	7.6	1.9

Source: BMO Capital Markets Economics, July 2, 2010

Boosted by the Government's stimulus spending, Canada's economy is expected to rebound in 2010 and post growth of 3.3 per cent. While, the unemployment rate is expected to decline slightly from 8.3 percent in 2009 to 8.1 per cent in 2010, business investment is not expected to recover until 2011.

To date the 2010 year has been a good year for the broadcasting industry in Canada and CBC|Radio-Canada expects its advertising revenue this year to return to pre-recession levels.

THE BROADCASTING ENVIRONMENT AND THE FINANCING OF CANADIAN TELEVISION

Canada's broadcasting industry is a mixed private/public system comprised of three main sectors: television, radio and distribution (cable and satellite).

The television sector comprises two different types of services – conventional broadcasters and pay/specialty services. Conventional broadcasters are the cornerstones of the Canadian broadcasting system, providing the vast majority of original, first-run programming that airs in prime-time. Yet, while playing an essential role, conventional broadcasters are limited to a single source of revenue – advertising – while pay/specialty services have two revenue streams – advertising and subscription fees.

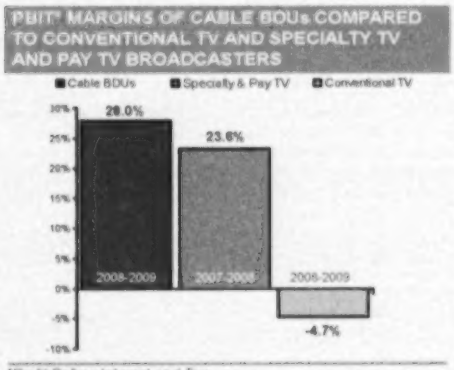
Television broadcasting in Canada is highly concentrated. While the private English television market, there has been dominated by two players, CTVgm and Canwest, Quebecor dominates virtually all facets of the francophone Quebec market. With 15 English-language stations and 13 French-language stations, CBC|Radio-Canada remains strong in the conventional broadcasting market; however, in

the specialty television market, CBC|Radio-Canada is not as present, with only three widely distributed services and two digital services, with limited distribution. Enhancing our specialty market position in this area is a key element of the Corporation's strategy.

In the wake of deregulation, Canada's radio industry has also become highly concentrated, populated with only a handful of large players — Astral, Rogers, Cogeco and Corus. A more highly concentrated radio industry has proven to be a more profitable industry as well, but it has not been spared from the effects of global economic downturn. Radio advertising revenue has dropped an estimated 6 per cent in 2009 in the wake of the downturn. CBC|Radio-Canada is Canada's only national radio service, with four networks (two in English and two in French) delivered via 82 stations.

Television distribution is the largest segment of the broadcasting industry. Over 90 per cent of Canadians receive their television signals from either a cable or satellite provider, and 90 per cent of all television subscribers are accounted for by five companies (Rogers, Bell, Shaw, Videotron, and Cogeco). All broadcasters, including CBC|Radio-Canada, are highly dependent on distributors for carriage of their conventional services and for payment of a fair subscriber rate for the right to carry their specialty services.

The three main sectors (television, radio and distribution) of the broadcasting industry were affected in quite different ways by the economic downturn. Those elements of the system relying on subscription revenue (cable and satellite BDUs, specialty channels) appeared to be almost immune from the effects of the recession, while those sectors dependent on advertising revenue, particularly conventional television broadcasters were the hardest hit. In 2009, television distributors generated almost 2.4 billion dollars in profits. The combined losses of all conventional television broadcasters, on the other hand, was over $116 million. Television subscription revenue actually increased in 2009, while the advertising revenue of conventional television broadcasters fell by over 8 per cent.



*Profit Before Interest and Tax
Source: 2009 CRTC Financial Summaries

As a result of the dramatic acceleration in the decline of advertising revenue, conventional television broadcasters have closed or given away local television stations, laid off staff or sold assets to raise cash. Of course, CBC|Radio-Canada was not immune from the consequences of economic turmoil and faced a budget shortfall of $171 million in fiscal 2009-2010. To deal with this shortfall, the Corporation eliminated approximately 800 positions, cancelled or scaled back many television and radio programs and sold assets.

As discussed on the next page, the recent economic downturn has exacerbated the more fundamental and permanent difficulties facing conventional television broadcasting from the fragmentation of their audiences. These financial difficulties will continue in the future unless CBC|Radio-Canada is able to address its failing advertising revenues in a fundamental manner, through value-for-signal, or some other means.

Historically, Canadian Governments have concluded that culture cannot be left entirely to market forces and have developed public policies to support the creation and airing of Canadian audio and video content. In the radio industry, the Canada Music Fund provides funding directly to Canadian songwriters and musicians. In the television industry, the costs of producing high-quality, prime-time television far exceed the

revenues that can be gained from such programs, and so the Federal Government supports independent producers of Canadian television programs – chiefly through the Canada Media Fund and tax credits. The objectives of Canada's broadcasting policy are enshrined in the 1991 *Broadcasting Act* and all players in Canada's broadcasting system are expected to contribute in various ways to the policy's fulfillment. It is the responsibility of the CRTC (The Canadian Radio-television and Telecommunications Commission), to ensure that public policy in support of the 1991 *Broadcasting Act* is developed and enforced.

In 2008, the CRTC, recognising the steady decline in the economic base and profitability of conventional television broadcasters, including CBC|Radio-Canada, created the Local Programming Improvement Fund, (LPIF), to help support local television production.

The CRTC held two important hearings in November and December of 2009 that focused on rethinking the fundamentals of conventional broadcasting, and the advertising-only supported business model by examining whether there should be a system of fair compensation from distributors who sell broadcasters' signals.

In its decision of March 22, 2010 the CRTC recognized that private conventional broadcasters be allowed to negotiate a fair value for their signals with cable and satellite companies. This same right was, however, denied to CBC|Radio-Canada. While the CRTC recognizes our critical importance, financial reality and uncertain future, it has not suggested any means by which we could continue to play an essential role in the system. We were extremely disappointed with the decision of the CRTC and are still evaluating its impact on our ability to carry out the initiatives articulated in this Plan.

FUNDING OF PUBLIC BROADCASTERS AROUND THE WORLD

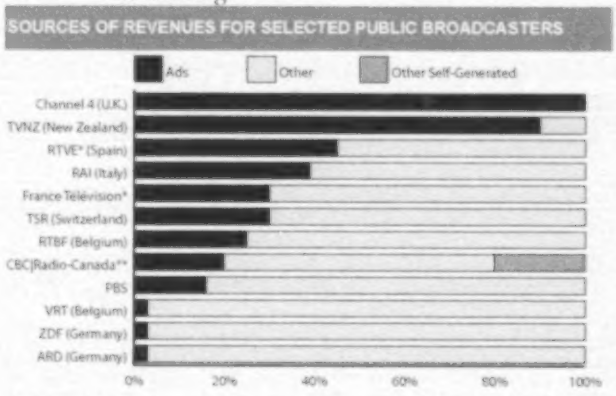
In the fall of 2009, CBC|Radio-Canada conducted an in-depth review of the sources and level of funding received by public broadcasters in 18 industrialised countries around the world.

There were three key findings from the review:

1. There is no one model for how a public broadcaster ought to be funded. Each public broadcaster operates in an environment unique to its country. For example, of the 18 public broadcasters studied, only seven are not reliant on advertising revenue.

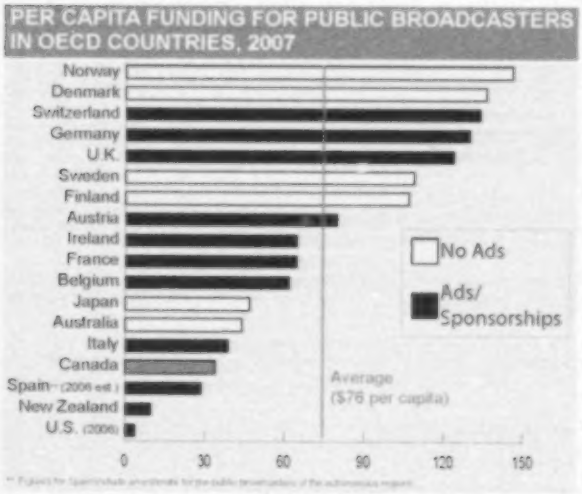
Source: CBC|Radio-Canada Corporate Research and Strategic Analysis

2. Reliance on advertising varies considerably by public broadcaster. While some public broadcasters such as Channel 4 in the United Kingdom are completely dependent on advertising revenue, others such as those in Belgium and Germany receive only a very small proportion of their total revenue from advertising.



Source: Company Reports
* Prior to France and Spain's ad-reduction initiatives
** Estimate based on Aggregate Return to CRTC (Broadcast year 2007-2008)

3. There is no relationship between whether a public broadcaster carries advertising and its level of funding. Compared to the other countries reviewed, Canada ranks fourth from the bottom in its support for public broadcasting, above only Spain, New Zealand and the United States.



Source: Analysis of Government Support for Public Broadcasting and Other Culture in Canada, Nordicity Group Ltd., January 2009

SOURCES OF CBC|RADIO-CANADA FUNDING

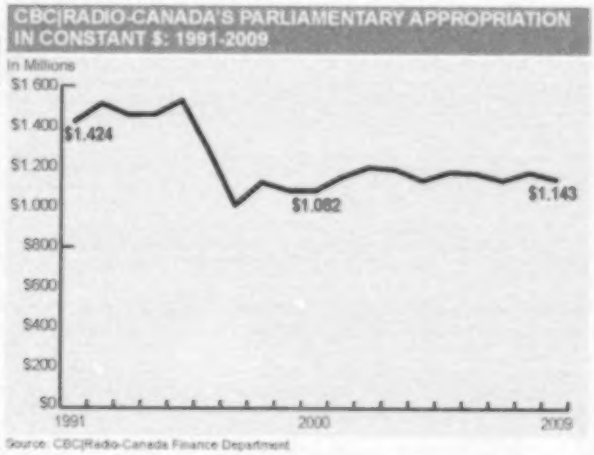
CBC|Radio-Canada relies on four basic sources of funding:

1. The annual appropriation of funds from Parliament.
2. Advertising revenues.
3. Subscription revenues.
4. Revenues from ancillary activities.

1. Parliamentary Appropriation – The Need For Multi-year Funding

CBC|Radio-Canada's total Parliamentary appropriation for 2009–2010 was $1.143 billion. This is significantly less than the Parliamentary appropriation that CBC|Radio-Canada was receiving in 1991 when its mandate was articulated in the *Broadcasting Act*. The Corporation's basic Parliamentary appropriation has been stable for the last ten years.

In 2009–2010, CBC|Radio-Canada received $60 million in one-time additional funding, for programming, as it had in each of the eight previous years. The Government has not committed to this additional funding beyond March 31, 2011.



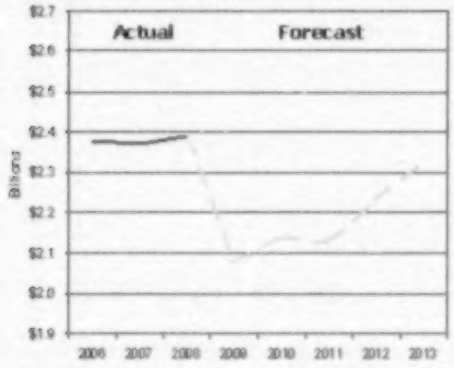
Source: CBC|Radio-Canada Finance Department

CBC|Radio-Canada requires stable multi-year funding to plan its programming and operations with a reasonable degree of confidence. This is even more important in these uncertain economic times. Many broadcasting projects extend across several years from initial concept to broadcast, and yet the Corporation has no certainty that it will have the necessary funding to see such projects through to completion. Other public broadcasters around the world receive long term multi-year funding (BBC–10 years, ABC Australia–3 years).

2. Advertising: A Vital, But Threatened Source of Revenue

CBC|Radio-Canada saw its revenues from advertising on television fall by about $65 million and $71 million in the past two fiscal years compared to plan. We are projecting these advertising revenues to reach about $318 million in 2010-2011, an amount virtually unchanged from three years ago.

PwC CONVENTIONAL TELEVISION ADVERTISING FORECAST - 2008 to 2013



Source: Statistics Canada (Actuals); PwC, June 2009 (Forecast)

Moreover, as competition from specialty channels and other platforms increases, advertising revenues for conventional television will likely continue to decline. This fact makes it very clear that CBC|Radio-Canada's traditional dependence on conventional television advertising revenues is no longer sustainable.

3. Specialty Service Revenue

CBC|Radio-Canada generates subscription and advertising revenues from its wholly owned specialty services, CBC News Network, **bold** and Réseau de l'information de Radio-Canada (RDI). In 2009–2010, these revenues totaled $141 million. As noted earlier, subscription revenues are relatively steady and were not adversely affected by the economic downturn.

4. Self-generated Revenues: Fundamental to Our Programming Strategy

A key aspect of CBC|Radio-Canada's strategy is to find ways to leverage our assets to generate revenue that can then be reinvested in programming. Self-generated revenue comes from across the Corporation. For example, the media generate revenue through program sales, facilities rentals, CBC News/RDI Express, and advertising on CBC.ca and Radio-Canada.ca. Other revenues are generated from merchandising, building rentals, parking fees, leasing space on our transmitters, and rent charged to external clients who use our mobile facilities.

In 2009–2010, CBC|Radio-Canada's self-generated revenues totaled $134 million ($114 million from Miscellaneous Revenues and $20 million from the Local Programming Improvement Fund). While these revenues can vary significantly from year to year, making it challenging to include them in our long-term planning, self-generated revenues play a critical role in allowing us to renew and extend our programming to reach more Canadians in more ways with the content they want.

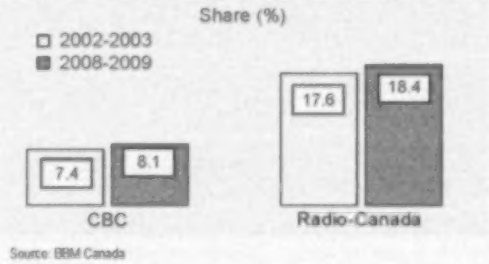
HOW DO CANADIANS USE OUR SERVICES?

We have achieved remarkable successes with our audiences, despite a very challenging broadcasting environment.

Television

Television continues to be the most popular leisure activity of Canadians, despite an ever-wider range of media choices. There has been a shift in the distribution of viewing, as viewers have increasingly turned to pay/specialty channels. These now account for 56 per cent of all viewing on English television and 46 per cent of all viewing by francophones.

PERFORMANCE OF OUR ENGLISH AND FRENCH TELEVISION NETWORKS IN PRIME TIME



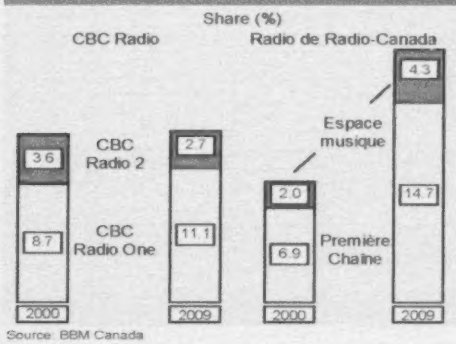
Source: BBM Canada

Despite more channel choices for viewers, CBC|Radio-Canada's television services are performing exceptionally well. In the 2008-2009 broadcast year, CBC Television's prime-time share of 8.1 per cent, equalled its share of the previous year which was its highest in five years. And in the highly fragmented French television market, Télévision de Radio-Canada accounts for almost one-fifth of all viewing among francophones in prime-time.

Radio

Canadians are spending less time with traditional radio, as more people listen to their music via the Internet, iPods, MP3 devices, satellite radio, and mobile phones, all of which let them choose what they want, and when and where they listen.

PERFORMANCE OF OUR ENGLISH AND FRENCH RADIO NETWORKS



Source: BBM Canada

Despite the decline in radio listening, audiences for CBC|Radio-Canada's English- and French-language radio services have attained record levels in recent years. The share of CBC Radio One, CBC Radio's main news and information service in fall 2009 at 11.1 per cent, matched its highest ever share attained the previous year. Radio One's local weekday morning shows ranked in the top three in 20 of the 22 markets in which they were offered. And Radio-Canada radio services reached almost 1.5 million Canadians, more then ever before, while capturing almost one-fifth of all radio listening by francophones in Canada.

Internet

Internet use is increasingly ubiquitous. Throughout 2009, 73 per cent of Canadians accessed the Internet each month. Not only are more Canadians now accessing the Internet, but they are also spending more time with it and using it for a greater variety of reasons. The Internet allows people to connect with others through e-mail, instant messaging and social networking sites, and provides an infinite source of information to research new products and services. For some, it also provides a new way of accessing media to "catch up on" or "time shift" missed radio and television programming. The extent to which Canadians are using the Internet in these new ways is shown in the table below.

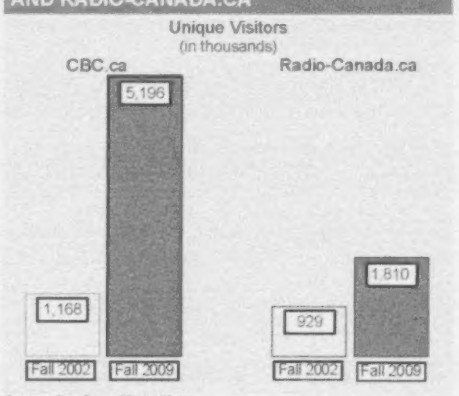
VARIOUS USES OF THE INTERNET BY CANADIANS*

Monthly Usage	
94%	Send or Receive E-mail
70%	Online Research of Products and Services
61%	Watch Online Video
53%	Visit Social Network Sites
37%	Streaming Audio
30%	Play Online Games
18%	Listen to a Podcast

* Among Internet Users
Source: MTM 2009

CBC|Radio-Canada's websites are among Canada's most popular news and information websites. In fall 2009, almost 5.2 million Canadians visited *CBC.ca*, while more than 1.8 million Canadians visited *Radio-Canada.ca*.

PERFORMANCE OF CBC.CA AND RADIO-CANADA.CA



Source: ComScore Media Metrix

WHAT DOES THE PUBLIC THINK OF US?

Clearly, a public broadcaster cannot exist without public support. But usage of our services is only one measure of support; how Canadians value our services is also important. To gauge Canadians' perceptions of the value of our services, CBC|Radio-Canada conducts an annual public opinion survey in the fall of each year among a large, representative sample of Canadians (6,000 anglophones and 6,000 francophones). This research shows that anglophone and francophone Canadians have a very positive perception of our radio and television services, with nine in 10 agreeing with each of the following statements:

Essential: "It is essential that CBC|Radio-Canada Television/Radio is available to Canadians."

Satisfaction: "I am satisfied with the programming on CBC|Radio-Canada Television/Radio."

Distinctiveness: "CBC|Radio-Canada Television/Radio has programs that aren't on any other television/radio station."

Comprehensive: "You can count on CBC|Radio-Canada Television/Radio to give you complete news coverage."

News Credibility: "You can trust news and information on CBC|Radio-Canada Television/Radio."

CORPORATE PERFORMANCE INDICATORS CBC|RADIO-CANADA SERVICES

Percentage Agreeing* (Canadians 18+)

	Year 2001	2009
Essential	95	97
Satisfaction	86	88
Distinctiveness	80	89
Comprehensive	92	94
News Credibility	93	95

* Proportion of the **total** population who either "strongly" or "somewhat" agrees with the performance measures.

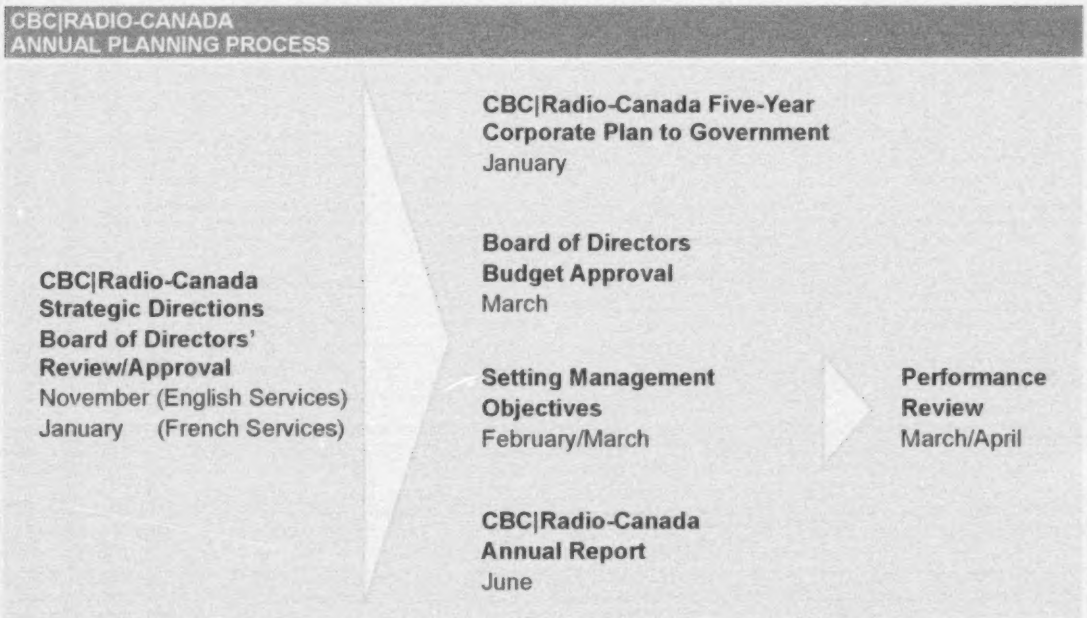
Source: MTM 2001, 2009

Over time, CBC|Radio-Canada has shown improvement across the board with respect to its corporate performance indicators. Virtually all Canadians agree that CBC|Radio-Canada's services are ***essential*** and that its news is both ***comprehensive*** and ***credible***. Furthermore, since 2001, there has been a significant increase in the proportion of Canadians who agree that CBC|Radio-Canada's programming is ***distinctive***, providing content that cannot be found on other radio or television stations.

Our Corporate Priorities and Strategic Initiatives

The Planning Process

The various stages of CBC|Radio-Canada's planning process are shown in the diagram below.



The November and January Board meetings normally represent the high points in CBC|Radio-Canada's planning process. The strategic directions approved by the Board form the basis of the Corporate Plan and provide the key assumptions necessary to develop each media's operating and capital budget. The Corporate Plan is approved by the Board in January and then filed with Government. Finally, prior to the start of the fiscal year, the Board approves each media's operating, capital and working capital budgets which have been drawn up to reflect the strategic directions approved by the Board.

Corporate Priorities: People, Programs and Pushing Forward

CBC|Radio-Canada introduced a new strategic framework in 2008-2009. This strategic framework was arrived at not only through extensive consultation with CBC|Radio-Canada employees and the Senior Executive Team, but by taking into account the findings of an in-depth review of the environment in which we operate. This extensive review made it clear to us that we must focus on three key issues: people because they are our key asset; on programs because they are our core competency; and on pushing forward so we can adapt to challenges and exploit opportunities.

The priorities associated with each of these three key issues are outlined in the table following.

PEOPLE
• Recruit, train, retain, and engage a skilled workforce
• Reflect Canada's diversity within
• Build and continue improved relationships with the unions
• Communicate and engage our people
PROGRAMS
• Continue to provide high-quality, distinctive Canadian content that informs, entertains, enlightens, and reflects the Canadian experience on whatever platforms Canadians consume them
• Strengthen position in the regions, using a blend of platforms to deliver appropriate services
• Increase representation of the diversity of Canada's population and its regions in the content of our programs
PUSHING FORWARD
• Build a sustainable economic model
• Enhance transparency through real time reporting
• Invest in the appropriate technologies and infrastructure to optimise reach

Our strategic initiatives for 2010-2011 build on the priorities we introduced in 2008-2009. However, because our budget has been reduced on a permanent basis by $133 million from the 2008-2009 level, we have launched a new stategic planning approach, which we have called "Driving Towards 2015" that will set our course towards 2015.

The strategic initiatives associated with each of the priorities — people, programs and pushing forward — are outlined in the following tables.

PEOPLE

Priorities	Strategic Initiatives	Performance Measures
Recruit, train, retain, and engage a skilled workforce	**Ensure the workforce is engaged and facilitate cultural change over time** - Implement new disability management process and reduce absenteeism - Streamline job evaluation process for management, APS and confidential employees - Implement new compensation plans and tools - Support action plans arising from employee engagement strategy	- New disability management implemented - Job evaluation process streamlined - New compensation plans and tools implemented
	Implement talent management initiatives aligned to business and operational needs - Improve Performance Management and Staff Development process and tools, and discuss possible enhancements with unions - Roll out succession planning and build development plans for all VPs, Executive Directors and their direct reports - Standardise our brand as an employer of choice	- Performance Management and Staff Development process improved - Succession planning rolled-out
	Foster leadership development and implement corporate-wide training initiatives - Review governance process and distribution for training and development fund - Develop first wave of CBC|Radio-Canada essentials modules	- Governance process and distribution reviewed - First wave modules developed
Reflect **Canada's diversity** within	**Develop and implement a long-term and sustainable diversity strategy** - Endorse corporate-wide diversity strategy - Create and maintain component steering committees to oversee diversity plans (English Services, French Services and Corporate groups)	- Buy-in for Strategy obtained - Component steering committees created
Build an **improved relationship** with the **unions**	**Implement a long-term, integrated industrial relations strategy** - Successfully negotiate with ACTRA, UDA, SARTEC, AFM and SCFP - Redefine consultative process with the operations - Continue improving union-management relationships	- Negotiations successful
Communicate and **engage** our people	**Align and inspire our people around a dynamic and inspirational definition of the Public Broadcaster** - Ensure all employees have a clear understanding of new corporate direction and strategy and an understanding of the Corporation's contribution to the broader society - Organise two town hall meetings with employees - VP Roadshows (two by year end) - Challenge Us! Stage successfully in third quarter - Leaders Forum: Support People and Culture in staging - Planning of 75th Anniversary activities	- Town hall meetings organized - VP road shows heldChallenge Us!Leaders Forum successfully organized
	- Continue to modernise our internal communications tools - Drive employees to employee portal and augment its content - Add to employee portal's functionality – give it more "Facebooking *iO!*" feel	- iO! (employee internal website) number of visit increased
	- Continue to increase the transparency of our communications - Multiple formats – face-to-face; podcasts; Board updates; spontaneous notes; messages that are more human than official	- Communication increased on iO! (employee internal website)

PROGRAMMING

Priorities	Strategic Initiatives	Performance Measures
English Services **Continue to provide high-quality, distinctive Canadian content**	**CBC Television** - Nurture returning programs and premiere new programs in January - Continue to focus on successful format and series programs - Pursue incremental revenue opportunities wherever possible	- CBC TV Regular Season, Prime Time Share - CBC News Network All Day Share
	Specialty Services - Grow distribution and revenue	- CBC News Network, documentary, **bold** subscribers
	CBC Radio One - Ensure programming continues to connect with local communities, connects Canadians across regions and reflects Canada's cultural diversity - Evolve the program development process to emphasise multi-platform opportunities and engage employees in 'bottom-up' creative development - Monetise off-air content - Create a "Radio News Network" syndication offering	- CBC Radio One share - Local morning show rankings in local market
	CBC Radio 2 - Develop a sustainable audience demographic mix - Broaden the reach of the service - Evolve the service in the context of a newly developed English Service's Music Strategy for all platforms	- CBC Radio 2 share - Usage metrics for CBC Radio 3
	CBC News Renewal - Increase, broaden and diversify audiences - Increase personal relevance for and engagement with audience - Strengthen the tradition of fair, unbiased and trusted journalism	- Audience on CBC News: The National
	Continue to reflect and deepen connections to local communities: - Pursue a hyper-local news new platforms strategy to local communities - Provide service to Canadians on all platforms (television, radio and new platforms)	- Audience on supper hour news programs - Increase yearly news hours on radio - Launch hyper-local services
	***CBC.ca* and Other Platforms** - Continue to enhance *CBC.ca* functionality, quality and media player and social media capabilities - Continue to migrate CBC content online - Continue to partner with "best in class"	- Maintain position as the most popular English-language news and media site - Maintain or improve position as the #2 sports destination - Increase number of streams (video and audio) year over year
French Services **Continue to provide high-quality, distinctive Canadian content**	**Provide our leadership in delivering digital content** - Enrich the programming offer of TOU.TV and put in place a pay-per-usage model - Make Radio-Canada the leader in the area of mobile - Reinforce our leadership position as a creator of original content for new platforms - Study the opportunity to develop a webradio service - Espace Chanson - Develop and use the new technologies associated with our radio services	- Creation of TOU.TV platform and business model developed - New mobile platforms and content developed - Content developed exclusively for digital platforms - New technologies employed by radio services
	Revamp our News and Information programming - Revisit the formats of our major newscasts - Put into place the integrated assignment centre to enable the full consolidation of the TV/Radio/Web newsrooms - Develop the centres of expertise that we have identified	- Revised format implemented - Newroom integration implemented - Exploit centres of expertise
	Enhance the value of our assets and audiences - Implement the 360 degree approach to manage revenue potential associated with our content - Maximise the five principal sources of revenue - Forge new partnerships - Prepare the negotiation regarding the value of our television signals based on the strategy that we have developed - Prepare for the introduction of the new rules regarding the distribution and rates of specialty services (2011) - Optimise the carriage of our regional TV signals on satellite	- 360 degree approach implemented - New partnerships developed - Strategy in place to begin negotiations for value-for-signal, if appropriate - Plan prepared for new distribution rules - Carriage of our regional television signals on satellite optimised

PROGRAMMING

Priorities	Strategic Initiatives	Performance Measures
French Services **Continue to provide high-quality, distinctive Canadian content**	**Continue multi-platform/total media integration** - Develop new content for use on multiple platforms - Continue the development phase for new specialty services (Sports, SENS and Archives) - Develop new talent to take advantage of the way content is created in the multi-channel universe	- New multiplatform content developed - Filing of licences for new specialty services
	Ensure the continued strong performance of our networks - **Télévision** – Maintain a schedule that is in tune with Canadians, uses resources efficiently and is competitve	- Share of Télévision de Radio-Canada
	- **Radio** – Develop the next generation of Première Chaîne and Espace musique hosts and producers	- Succession strategy developed
	- **ARTV** – Develop and put in place a strategy that facilitates the integration of ARTV within Radio-Canada	- Strategy developed
	- **RDI** – Develop and put in place a programming strategy that addresses the competition	- Share of RDI
	Ensure a consistent approach to protecting and strengthening our brand, both internally and externally - Develop a strategy for implementing high-visibility strategic partnerships	- Strategic partnerships developed
	- Enhance the public broadcaster's interactions with Canadians	- Radio-Canada communicates more effectively with Canadians
	- Ensure employees buy in to the Corporation's brand and attributes	- Employees mobilised, loyalty increased
English Services **Strengthen** position in the **regions**, using blend of platforms to deliver appropriate services	**Television** - Maintain mix of regional reflection in Prime Time	- Mix maintained - Audiences to supper hour news increases
	Radio - Extend relevant service to six million Canadians without access to local CBC Radio One programming	- Service extended, budget permitting
French Services **Strengthen** position in the **regions**, using blend of platforms to deliver appropriate services	**Consolidate our presence in the Regions** - Optimise the potential of the LPIF (Local Programming Improvement Fund)	- Revenue from LPIF optimised
	- Open the newly integrated stations in Trois-Rivières and Saguenay	- Stations in Trois-Rivières and Saguenay opened
	- Return to Rimouski (to be completed in 2011-2012)	- Licence obtained for station in Rimouski
	- Apply the regional roots strategy to Espace musique	- Regional presence of Espace musique extended
	- Increase our presence and content in the area surrounding Montréal (area code 450) using new platforms	- Project to better serve persons in the area surrounding Montréal (area code 450) developed
English Services **Increase** the representation of Canada's **diverse communities** in our programming and in our workforce	**Increase representation of designated groups:** - In our programming as seen on-air - In the composition of our workforce, including key on-air and management positions	- On-air representation of diversity increases
French Services **Increase** the representation of Canada's **diverse communities** in our programming and in our workforce	**Ensure that all programming on every platform is firmly rooted in the regions and that it reflects the country's cultural diversity**	- On-air representation of diversity increases

PUSHING FORWARD

Priorities	Strategic Initiatives	Performance Measures
Build a **sustainable economic model**	**Explore possible sale of transmission assets**	- Launch RFP
	Explore monetisation of real estate assets	- Means of monetising real estate assets explored
	Generally continue to reduce excess infrastructure	- Excess infrastructure reduced
	Optimise value of carriage of distant signals	- Value of distant signals carried optimised
	Optimise access to LPIF	- Revenue from LPIF optimised
	Leverage CBC|Radio-Canada's buying power by implementing corporate Agreements that achieve economies of scale, and managing those awarded to date	- Number of agreements awarded or renewed - Efficient management of agreements (business reviews) - Savings realised
	Maximise the effectiveness of the Corporation's major business relationships (TOP 40), which account for in excess of $470 million of business on an annual basis	- Maintain a database of revenues and expenses for the CBC|Radio-Canada's Top 40 major business partners
	CBC News/RDI Express - Roll out to at least two additional airports	- Opening negotiations in Montréal and Québec City
	Re-establish CBC|Radio-Canada in-flight news service	- Service re-established on Air Canada flights in 2010-2011
Enhance transparency through real time reporting	**Preparation for new external Quarterly reporting requirements in 2011-2012, with comparative 2010-2011 financial information**	- Improved automation of report preparation - Increased usefulness of information - Timely submission of documents
	Successful transition to the International Financial Reporting Standards for the year ending March 31, 2012 with IFRS converted data available for the comparative year ending March 31, 2011	- The issuance of an unqualified audit opinion by the Office of the Auditor General for the first IFRS compliant financial statements - A trained Finance organisation on the new standards, policies and procedures for the implementation data
	Increase alignment of business planning and the budgeting process to strategic priorities	- Enhancements to planning process and deliverables following the completion of CBC|Radio-Canada's new Strategic Plan

PUSHING FORWARD

Priorities	Strategic Initiatives	Performance Measures
Invest in the appropriate **technologies** and infrastructure to optimise reach	**Implementation of Next Generation Converged Network (NGCN)**	- After business case is approved by the Board in February 2010, complete engineering, project management and implementation; start operation for Montréal, Toronto, Ottawa, and Québec City sites by September 2010 - Complete balance of NGCN network by March 2011
	Completion of DTV Strategy and Detailed Implementation Plan	- Complete detailed DTV satellite distribution plan by April 2010 - Complete analogue television shut-down analysis and seek senior management approval in April 2010
	Implementaion of Radio Centralised Distribution	- Complete radio satellite distribution plan by September 2010 - Implement new radio collector networks on NGCN by March 2010
	Implement trial of the ATSC M/H Mobile TV Service	- Plan and implement an ATSC M/H TV trial on the Toronto DTV transmitter by December 2010

OTHER STRATEGIC INITIATIVES

Priorities	Strategic Initiatives	Performance Measures
Canadian Broadcasting Centre (Toronto)	**Redevelopment plans are conditional on firm leasing commitments and obtaining sources of funding**	- Achieve firm leasing commitments for available space and obtain associated funding
	Plans are also conditional on retaining minor variances to the zoning bylaw achieved in 2008	
	CBC/Radio-Canada will be required to appeal to the Ontario Municipal Board to retain the zoning rights for the redevelopment	- Successfully appeal the new City zoning bylaw
La Maison de Radio-Canada (Montréal)	**Negotiate an agreement with the City of Montréal regarding the infrastructure for the site**	- Establish the sharing of the infrastructure cost of the site with the City of Montréal
	Identify possible developers for the site	- List of developers
Sirius Canada (CBC owns 25%)	**Sirius Canada/XM Canada merger** - Protect/enhance the value of our investment - Maintain/enhance returns to CBC/Radio-Canada	- Lead CBC/Radio-Canada to the best possible arrangement for a merger or an alternative arrangement - Protect the carriage of CBC/Radio-Canada radio services
Halifax radio and **television buildings**	**Identify redevelopment and consolidation opportunities**	- Identify best option

CORPORATE PERFORMANCE INDICATORS PEOPLE

Indicators	2009-2010 Targets	2009-2010 Results	2010-2011 Targets
CBC|Radio-Canada Usage by Visible Minority (18+)[1]	87%	81%	81%
Visible Minority Staff[2]	556	535	565
Commitment to Training and Development	$1,015 per employee	$1,035 per employee	$1,055 per employee

1 As of 2007-2008, the Corporation has adopted the definition used by Statistics Canada.
2 Excludes short-term employees up to December 31st, 2009.

CORPORATE PERFORMANCE INDICATORS PROGRAMS

Indicators	2009-2010 Targets	2009-2010 Results	2010-2011 Targets
Canadian Content[1]			
CBC Television			
Broadcast Day	75%[2]	81%	75%[2]
Prime Time (M-S, 7pm-11pm)	80%[2]	81%	80%[2]
Télévision de Radio-Canada			
Broadcast Day	75%[2]	80%	75%[2]
Prime Time (M-S, 7pm-11pm)	80%[2]	91%	80%[2]
CBC Radio			
Broadcast Day	99%	99%	99%
Prime Time (M-F, 6am-9am)	100%	100%	100%
Radio de Radio-Canada			
Broadcast Day	99%	99%	99%
Prime Time (M-F, 6am-9am)	100%	100%	100%
Distinctiveness Main Television and Radio Networks	90%	89%	90%
Programs Produced in Regions for Regions	80,700 hours	85,794 hours	83,500 hours
Programs Produced in Regions for Network	11,900 hours	9,126 hours	8,300 hours
Expenditures on Canadian Programming	93% of programming budget	93% of programming budget	93% of programming budget
Programming Expenditures	79% of total budget	82% of total budget	82% of total budget
Expenditures on Cross-media Programming	$7.4 million	$8.3 million	$6.6 million
Canadians' Satisfaction Levels with Main Television and Radio Networks	89%	88%	89%

1 Based on previous broadcast year.
2 CRTC expectations.

CORPORATE PERFORMANCE INDICATORS
PUSHING FORWARD

Indicators	2009-2010 Targets	2009-2010 Results	2010-2011 Targets
Self-generated Revenues[1]	$105.9 million	$113.8 million	$88.6 million
Revenue Generated from New Platforms[2]	Increase of 15%	Increase of 55%	Increase of 40%
Investment in New Platforms	Increase of 3%	Increase of 11%	Increase of 8%

1 Excludes Television and Internet advertising revenues.
2 New platforms include all content available to watch and/or listen to on the Internet or mobile devices, such as cell phone, video iPod/MP3 player or PlayStation portable (PSP).

MEDIA PERFORMANCE INDICATORS
ENGLISH SERVICES

Performance Indicators		2009-2010 Targets	2009-2010 Results	2010-2011 Targets
Radio Share (12+, Fall Survey "S4")	**Combined**	13.5%	13.8%	14.1%
Television Share (2+, Regular Season)	**CBC Television** (Prime Time)	8.5%	9.3%[1]	8.7%[2]
	CBC News Network (All Day)	1.4%	1.0%	1.0%
New Platforms (2+, comScore Uniques)	***CBC.ca***	Number 1	Number 1[3]	5,602,000[4]
	CBC News Online	-	-	3,900,000[4]
	CBC Sports Online	Number 2	Number 2[3]	1,074,000[4]
	CBC Entertainment Online	-	-	1,344,000[4]
Revenues (Conventional, Specialty and Online)[5]	**Total Revenues**	$292 million[6]	$311 million	$328 million
Subscriber Count	**CBC News Network**	10.5 million	10.8 million	10.8 million
	bold	1.1 million	1.1 million	2.5 million
	documentary	1.2 million	1.3 million	2.3 million
Costs[7]	**Total Costs**	$766 million	$786 million	$807 million

1 Season-to-date 2009-2010: weeks 5-32, excluding weeks 25-26 (Olympics).
2 Under the new PPM measurement system, in 2009-2010, not all tuning in to the television universe was captured. In the future, BBM expects to increase coverage to a larger percentage of all tuning in. Therefore, the same audience level for any broadcaster would yield a lower share in this scenario.
3 For 2009-2010, the target was established as a ranking of sites in that category, excluding foreign content providers and any content aggregators. For 2010-2011, the target was established for Monthly Average Unique Visitors for the September 2010 to March 2011 period.
4 September 2010 through March 2011.
5 Including contra, excluding Local Programming Improvement Fund (LPIF) revenues, *The Documentary Channel* (documentary) at 82% (except for the 2009-2010 target, which is *The Documentary Channel* (documentary) at 100%).
6 This target was established excluding contra/barter revenues of $3 million in value, and results for 2009-2010 include that amount.
7 English Services including *The Documentary Channel* (documentary) at 100% for the 2009-2010 target; and at 82% for the 2009-2010 results and the 2010-2011 target.

MEDIA PERFORMANCE INDICATORS
FRENCH SERVICES

Performance Indicators		2009-2010 Targets	2009-2010 Results	2010-2011 Targets
Radio Share (12+, Fall Survey "S4")	**Combined**	19.4%	19.0%	19.0%
Television Share (2+, Regular Season)	**Main Network** Prime Time	18.9%	18.6%	18.5%
Radio-Canada.ca (2+, comScore Unique/Reach)	**Unique Francophone Visitors**	1.0 million	1.2 million[1]	1.8 million[3]
Revenues (Conventional, Specialty and Online)	**Total Revenues**	$173.7 million	$190.5 million	$190.7 million
Subscriber Count	**RDI**	10.4 million	10.8 million	10.8 million
Costs[4]	**Total costs**	$576.1 million[2]	$556.1 million	$588.9 million

1 Monthly total unique francophone visitors who used the site from home.
2 French Services' annual spending budget up until March 31, 2010.
3 Monthly average unique francophone visitors (all ages) combined for Radio-Canada.ca, TOU.TV and bandeapart.ca from September 1, 2010 to March 31, 2011.
4 Includes LPIF expenditures.

Mitigating Risks

CBC|Radio-Canada Risk Management Program

CBC|Radio-Canada's Risk Management Program determines the risks and opportunities that the Corporation must effectively manage to achieve business objectives, successfully execute strategies and meet performance goals. The risk assessment considers all forms of risk, including the business environment, process, strategic, and financial.

As Canada's national public broadcaster, CBC|Radio-Canada occupies a special place in the Canadian broadcasting system and faces a unique set of risks to its plans and operations. Like all broadcasters, the Corporation must recognise and adapt to technological changes, shifts in demographics and evolving consumer demands, as well as structural changes in the industry. However, as a public broadcaster with a statutory mandate to serve all Canadians, CBC|Radio-Canada also faces a unique set of political and financial risks.

CBC|Radio-Canada's Risk Management Program is based on an enterprise-wide framework integrated into business processes. The responsibility for risk management is shared between CBC|Radio-Canada's Board of Directors, the Board's Audit Committee, Senior Management, Internal Audit, and operational units.

The Board oversees CBC|Radio-Canada's key risks, approves policies and ensures that required processes and systems are in place to effectively manage risks.

The Audit Committee of the Board has been delegated responsibility for monitoring the risk management function and fulfils that responsibility by monitoring key risks, by discussing with management the status of these key risks on a quarterly basis at Audit Committee meetings, and by ensuring that management has programs in place to evaluate and test the effectiveness of internal control systems.

Senior management identifies and manages risks and reports on CBC|Radio-Canada's key risks to the Audit Committee and to the Board, recommends policies and oversees financial reporting and internal control systems.

Internal Audit plans its audits in accordance with the results of the risk assessment process, ensuring that major risks are covered by the annual audit plan.

Media lines and support areas identify and assess risks through the annual business plan process, and develop detailed action plans to manage key risks and to ensure that these are carried out. Standard risk definitions and evaluation criteria are used to prioritise risks on the basis of inherent risk scores, which are a function of impact and likelihood.

Internal controls

The Corporation has built on the success of work accomplished in previous years and implemented a risk-based assessment process, using the Committee of Sponsoring Organizations' (COSO) framework, by which the Corporation annually reviews and assesses its key internal controls. This process is modeled upon the best practices requirements from the Proposed Certification Regime for Crown Corporations of the Treasury Board Secretariat (TBS), as well as National Instrument 52-109 of the Canadian Securities Administration (CSA), even though the Corporation is not subject to the requirements of the CSA.

Key Risks and Opportunities

The following sections identify and discuss the key risks and opportunities facing the Corporation in the near future.

PEOPLE

Risks	Opportunities	Strategies Identified
•**Significant percentage** of workforce is **eligible** for **retirement** in next five years	•Engage workforce and accelerate succession	•Build engagement strategy focusing on succession planning, retention, compensation, and training.
•**Staff not sufficiently engaged** in **mission** of the Corporation		•Engage our people through Challenge Us!, Leaders' Forum, and town hall meetings
•**Staff not representative** of **demographic** make-up of Canada	•Reflect the communities we serve both in our programming and our workforce	•Implement diversity strategy focusing on targeted recruitment, outreach, training, succession planning, and communication
•**Failure to achieve successful settlements** with **all unions** in the face of multiple collective agreements expiring	•Improve industrial relations climate reflecting better relationships with unions	•Continue formal relationship improvement process between union and management leaders

PROGRAMS

Risks	Opportunities	Strategies Identified
•The Canadian Television Fund (CTF) has been replaced with the Canada Media Fund **(CMF)**. CBC|Radio-Canada will **lose its guaranteed funding envelope** of 37%	•For the first time, CBC|Radio-Canada will be able to gain access to the funds directly •Improve audience success of our CMF programs services	•Proactively participate in the development of the audience success criteria and continue to implement a strategic communications plan
•**Limited access to program rights**: key to new platforms	•Multi-platform strategy expands our reach (i.e., Mobile TV, VOD)	•Multi-platform strategy including multi-platform rights management
•**Limited access to capital** to develop platforms	•Depth of our regional roots •Online lead vs. competitors •Possible strategic partnerships	•Continue push to be a content company •Partner with others, where possible, to leverage investments
•**Market-oriented regulatory regime** will affect specialty service revenues	•Increased revenue for specialty services	•Improve audience for specialty services
•Regulatory decision on **value-for-signal** issued in March 2010 excluded CBC|Radio-Canada from participation. The CRTC is to revisit CBC|Radio-Canada's eligibility during the next license renewal process	•Potential revenue from value-for-signal decision	•Continue to advocate for value-for-signal and LPIF
•Continuation of Local Programming Improvement Fund (LPIF)	•Continued LPIF support for small local TV stations	

PUSHING FORWARD		
Risks	**Opportunities**	**Strategies Identified**
•Economy recovers but **advertising revenues do not recover to their previous levels**	•Revenues from other platforms	•Cost containment strategy continues
•Pressure on **Government** to significantly **reduce spending** results in reduction to CBC|Radio-Canada • **$60 million** (received since 2001) **at risk** for 2011-2012 and beyond •**Shift in conventional Television advertising** to specialty services and other platforms •**Lack of financial flexibility**	•CRTC licence renewal: major venue to communicate our vision and discuss •Review options for creating financial flexibility	•More transparency to stakeholders by increasing the volume and frequency of financial information made public •Communicate our vision and discuss funding at CRTC licence renewal hearings •Contingency planning for revenue/appropriation shortfall •Launch in January 2010 of review of CBC|Radio-Canada's long term strategy
•**Lack of capital** expenditure funding to roll out **HDTV** and to replace aging radio **transmitters**	•Transmitter and real estate assets base offer opportunity for monetising assets for reinvestment	•Continue to review options for monetising assets for reinvestment
•Lack of capital and life-cycle repair funding to deal with **maintenance deficit** of key **real estate assets**	•Sale and lease back opportunities •Lease of excess space to generate revenues	•Continue to review options for reducing cost and making best use of CBC|Radio-Canada space while analysing opportunities •Self-funded redevelopment initiatives

Financial Plan

Financial Overview

The Financial Overview in Appendix A presents the Corporation's financial picture for 2009-2010 through 2014-2015.

The revenue and funding projections are based on the latest available information. The balanced position presented for 2010-2011 to 2014-2015 in Appendix A is achieved by matching expenditures to expected resources.

The operating appropriation is assumed to remain stable over the forecast period and includes the $60 million in "one-time" funding received since 2001.

The increase in the operating appropriation from 2009-2010 to 2010-2011 is due to reduced capital to operating transfers in 2010-2011 and retroactive inflation funding on salary. This is partially offset by an increase of $2.4 million (from $9.5 million in 2009-2010 to $11.9 million in 2010-2011) in the Government reduction program announced in Budget 2007.

The forecast takes into account the Budget Containment measures announced by government, which includes the provision that there will be no salary funding provided for the years 2010-2011 through 2012-2013.

CBC|Radio-Canada normally receives funding for inflation on the salary portion of its expenditures, but not inflation on goods and services. This measure will have the effect of further eroding CBC|Radio-Canada's purchasing power.

In 2009-2010, CBC|Radio-Canada received Government approval to sell some of its assets to deal with the financial pressures caused by the global economic downturn. These assets consisted of receivables due from the Stingray Digital Group and Pay Audio Services Limited partnership (Stingray) and receivables due from Ontrea Inc. Workers Safety and Insurance Board Joint Venture and Simcoe Front Developments Limited (ONTREA). The loss of revenue due to the sale of these assets ($22.1 million in 2010-2011; $22.1 million in 2011-2012; and $11.6 million each year from 2012-2013 to 2026-2027) will cause additional strain on CBC|Radio-Canada's budget.

Since 2001-2002, the Government has provided CBC|Radio-Canada with $60 million annually for investment in programming. This much-appreciated funding has been used to strengthen the drama, children's, documentaries, and arts and cultural programming offered by our radio and television services. The Government has not yet approved this $60 million in funding for 2010-2011 and beyond; however, it has been included in the financial forecast. If the funding is not renewed, the Corporation will have to make significant reductions to programming.

Advertising revenues are projected to be approximately $318 million in 2010-2011. This includes one-time revenue related to broadcasting the Fédération Internationale de Football Association (FIFA) events. Following modest growth in 2011-2012, advertising revenues are expected to remain stable over the forecast period. Operating expenditures for all services are assumed to remain relatively stable from year to year, as long as funding levels remain stable.

Material Risks to Financial Plan

The Corporation faces a number of significant financial risks, most of which are directly attributable to funding issues.

The most important is the uncertainty of the $60 million in Government funding, as discussed in the previous section.

Secondly, there is a risk that the economy will not continue to rebound in 2010-2011, causing advertising revenues to continue to fall. Even if the economy recovers, continued fragmentation in the broadcasting industry and increased competition from other technologies will likely continue to erode television advertising revenue growth.

Borrowing Plan

The *Broadcasting Act*, Section 46.1, confers on CBC|Radio-Canada the authority to borrow up to $25 million by any means, or such greater amount as may be authorised by Parliament, subject to the approval of the Minister of Finance; Section 54(3.1) of the *Act* requires that the Corporation's borrowing plan be included in its corporate plan for the approval of the Minister of Finance.

Bill C-51, which received Royal Assent on December 15, 2009, amended the *Broadcasting Act* to increase the Corporation's borrowing limit to $220,000,000.

When the Corporation sold the Stingray and ONTREA receivables mentioned earlier in this section, it provided a guarantee to the investors in order to obtain the best possible value for the sale. This guarantee was deemed to be borrowing.

In accordance with the terms of the approval from the Minister of Finance for this borrowing authority, CBC|Radio-Canada hereby provides a status report showing the outstanding amounts against the borrowing authority:

Total borrowing authority available:

$220,000,000

Authority used as at March 31, 2010:

Stingray	**$7,000,000**
Ontrea	**$199,428,501**
Total	**$206,428,501**

Pursuant to the provisions of section 46.1(1) and 54(3.1) of the *Broadcasting Act*, the Corporation seeks the approval in principle of the Minister of Finance, to borrow money not exceeding the remaining borrowing authority of $13.6 million in 2010-2011. CBC|Radio-Canada will submit specific borrowing proposals as required by the Minister of Finance for approval.

Appendix A
Financial Overview[1]

	Projected Actual 2009-2010	Budget Year 2010-2011	Projection 2011-2012	Projection 2012-2013	Projection 2013-2014	Projection 2014-2015
SOURCES OF INCOME						
Operating appropriation	957 587	971 588 [7]	968 054 [7]	967 291 [7]	967 291 [7]	967 291 [8]
Additional funding for programming initiatives [2]	60 000	60 000	60 000	60 000	60 000	60 000
Total Appropriation	**1 017 587**	**1 031 588**	**1 028 054**	**1 027 291**	**1 027 291**	**1 027 291**
Amortization of deferred capital funding [3]	118 511	118 984	119 461	119 939	120 419	120 900
Advertising	307 136	317 595	318 796	321 984	325 204	328 456
Other revenues [4]	277 298	238 931	240 133	241 159	242 190	243 226
TOTAL SOURCES OF INCOME	**1 720 532**	**1 707 098**	**1 706 444**	**1 710 373**	**1 715 104**	**1 719 873**
EXPENDITURES:						
Television and radio services [5,6]	1 522 249	1 507 990	1 506 477	1 509 603	1 513 497	1 517 427
Transmission, distribution and collection	63 971	64 291	64 642	64 935	65 260	65 586
Corporate Management [5]	15 801	15 833	15 864	15 896	15 928	15 960
Amortization of property and equipment	118 511	118 984	119 461	119 939	120 419	120 900
TOTAL EXPENDITURES	**1 720 532**	**1 707 098**	**1 706 444**	**1 710 373**	**1 715 104**	**1 719 873**
NET POSITION	-	-	-	-	-	-

[1] Results presented are in accordance with Canadian Generally Accepted Accounting Principles (GAAP) and do not reflect changes to come from the conversion to International Financial Reporting Standards (IFRS) commencing in 2011-2012.

[2] Assumes that the "one-time" funding for programming initiatives ($60 million), received from government since 2001, will continue to be accessible to CBC|Radio-Canada.

[3] Parliamentary appropriations received for capital expenditures are recognised on the same basis and over the same period as the amortization of the capital assets purchased with the funds. The capital budget is discussed in more details in Appendix B.

[4] Includes Specialty Services (CBC News Network, RDI, Galaxie and bold) and other miscellaneous revenues. It also includes funding received from the Local Programming Improvement Fund (LPIF). The LPIF is a new fund established by the CRTC in October 2008 to support local television programming. The funds are distributed using monthly installments over the course of the broadcast year (September to August), starting in September 2009.

[5] Includes expenditures related to CBC/Radio-Canada's main services and Specialty Services (CBC News Network, RDI, Galaxie and bold).

[6] Includes $60 million spending on programming initiatives.

[7] Reflects the salary inflation funding freeze announced by the Federal government in the 2010 Budget.

[8] Salary funding increase from Treasury Board has not yet been determined for fiscal year 2014-2015. It is assumed that salary funding received will be equal to actual increase in salary expenditures.

Appendix B
Capital Budget

The convergence of several funding pressures continues to make it impossible for the Corporation to respond to all demands within the limits of its existing Capital Budget.

Notable are the larger unavoidable pressures resulting from technological changes in the broadcasting industry:

- Transition to HD and DTV;
- Transition to computer and software-based production assets that demand a faster refresh cycle.

This problem is exacerbated by the overlap with the replacement cycle for aging transmission towers and radio transmitters introduced during the Accelerated Coverage program (ACP) of the late 1970s and early 1980s.

The Corporation's base capital appropriation has been flat-line since the 1990s and is generally insufficient to address the convergence of these pressures. Consequently the measures to balance the capital plan, which have been in place over the past two years, will continue:

- We will not be able to refresh the 600 ACP transmitter assets, which are in the 30 years of age zone and at risk of failure;
- Further delays in the refresh of production and other assets will put some operations at risk of failure. Other assets at risk include several buildings that have fallen below industry standards for maintenance.

In 2010-2011, the total capital spending base is planned to be $121.4 million, inclusive of all funding sources but excluding carryover of funds from 2009-2010 to complete projects started in that year. Beyond 2010-2011, capital spending is projected to average at approximately $109 million per year.

The section that follows provides an overview of our investment priorities over the next three years and other capital-related initiatives.

Roughly 52 per cent of the capital budget over the next three years is planned to be spent on production and presentation facility infrastructure, where major initiatives include replacing failing obsolete equipment, modernizing radio production facilities, establishing regional Télévision de Radio-Canada stations in Trois-Rivières, Sherbrooke and Saguenay as part of the Cogeco disaffiliation (a three year project ending in 2011-2012), updating the Canadian Broadcasting Centre's studios and other assets key to the production chain which are approaching 20 years of age, upgrade of the Centre de l'information (CDI) complex in Montréal, centralizing English and French radio presentation operations, complete the upgrading of television presentation operations, complete the upgrading of television presentation facilities to deliver HD signals and some further high definition television (HDTV) production investments to replace existing standard definition assets which have reached their end-of-life. Assets in this area are increasingly unsupported by vendors and the move to computer-based production technology is accelerating the refresh cycle.

Approximately 35 per cent of the budget is planned to be spent on transmitter and tower maintenance, improving and extending radio services, building improvements, changes to comply with codes and regulations, and investments to refresh part of our vehicle fleet. Also, following an exhaustive review, the Corporation has determined that it will install a total of 27 digital transmitters, as part of Canada's 2011 transition from over-the-air analog television distribution to digital over-the-air television distribution. This will permit CBC|Radio-Canada to broadcast television signals in each of the markets where it offers original local television programming and protect its existing television advertising revenues.

The remaining budget will be spent on corporate wide systems and technology infrastructure. Specific initiatives include a corporate newsroom system project, telephone system upgrades and updates to server infrastructure and software.

The Corporation is also pursuing two initiatives which meet the criteria for investments based on sound business case fundamentals and financing that is not appropriation dependant:

- Revitalisation of the Canadian Broadcasting Centre in Toronto to significantly reduce CBC|Radio-Canada-occupied workspace and improve its functionality. This redevelopment will only proceed if firm leasing commitments and sources of financing are obtained. In this respect, initial agreements were signed with Boston Pizza and Disney to occupy 24,800 sq. ft. The Boston Pizza lease was signed on January 8, 2010, and Disney on May 31, 2010;
- Major site development plan and improvement to the Maison de Radio-Canada in Montréal in concert with a third party developer.

The Corporation has also issued an RFP to seek proponents with demonstrated experience, financial and technical capability to acquire and manage the CBC|Radio-Canada transmission site towers, related real estate assets and supporting infrastructure. Known as TAR (Transmission Assets RFP), the RFP was issued in December 2009. The valuation opinion of an outside consultant of the proposals received was that they were too low to meet the financial threshold on a comparative basis to continued ownership. Due the inadequate business case, the project was terminated in April 2010.

Appendix C Mandate and Governance

Corporate Mandate

The Canadian Broadcasting Corporation/ Société Radio-Canada ("CBC|Radio-Canada" or the "Corporation") was first established by an Act of Parliament in 1936. The Corporation's current legislative mandate, Corporate powers and governance mechanisms are set out in the 1991 *Broadcasting Act* (the *Act*). Each year, pursuant to section 54 of the *Act*, the Corporation must submit to the Minister of Canadian Heritage a *Corporate Plan* regarding the businesses and activities, including investments, of the Corporation and its subsidiaries, if any.

The Role of the Corporation in the Canadian Broadcasting System

Section 3 of the *Act* sets out the broadcasting policy for Canada and includes provisions specifically addressing the role of the Corporation in the Canadian broadcasting system. In particular, paragraphs 3(1)(l) and (m) provide:

(l) The Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains;

(m) The programming provided by the Corporation should:

i. Be predominantly and distinctively Canadian;

ii. Reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions;

iii. Actively contribute to the flow and exchange of cultural expression;

iv. Be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities;

v. Strive to be of equivalent quality in English and French;

vi. Contribute to shared national consciousness and identity;

vii. Be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose; and,

viii. Reflect the multicultural and multiracial nature of Canada.

These provisions establish a very broad mandate for CBC|Radio-Canada, requiring the Corporation to make its programming available across the country in a manner which satisfies both national and regional needs, in both English and French, while also reflecting the multicultural and multiracial nature of Canada.

In addition to this domestic mandate, CBC|Radio-Canada is also required by section 46(2) of the *Act* to provide an international service which must comply with license conditions and regulations issued by the Canadian Radio-television and Telecommunications Commission (the "CRTC"), as well as any directions issued by the Governor in Council.

No other Canadian broadcaster — commercial or public — has the same breadth of mandate or the same scale or scope of operations as CBC|Radio-Canada.

Corporate Powers

Part III of the *Act* sets out the basic powers of the Corporation.

A central feature of the regime established by Part III is the arms-length relationship between CBC|Radio-Canada and the Government with respect to the Corporation's broadcasting activities. Section 35(2) specifically provides that Part III "shall be interpreted and applied so as to protect and enhance the freedom of expression and the journalistic, creative and programming independence enjoyed by the Corporation in the pursuit of its objects and in the exercise of its powers." This requirement is repeated in section 46(5) (in the context of the Corporation's objects and powers) and again in section 52(1) (in the context of certain financial reporting provisions).

The head office of the Corporation is required by section 50(1) of the *Act* to be located in the National Capital Region. The powers of the Corporation are spelled out in section 46(1). Section 46(1) reiterates that CBC|Radio-Canada's mandate is to provide the programming contemplated by paragraphs 3(1)(l) and (m) and then identifies a list of powers, such as the ability to originate or purchase programs, enter into associated contracts, and acquire copyright and trademarks that have been granted to the Corporation so that it may achieve this purpose.

The Corporation is an agent of Her Majesty except in respect of the Corporation's international service and the Corporation's employees: section 47(1) of the *Act*. As such, the Corporation may enter into contracts (47(2)) and acquire property (47(3)) in the name of Her Majesty (48(2)(a)), subject to a $4,000,000 limit with regard to the acquisition of real property or the disposition of real or personal property (other than program material or rights), as well as a $15,000,000 (modified by Governor in Council approval) (48(2)(b)) limit for the lease of real property. Transactions involving greater amounts require the approval of the Governor in Council.

Pursuant to section 46.1 of the *Act*, CBC|Radio-Canada may borrow money, with the approval of the Minister of Finance, up to a limit of $25,000,000, or any greater amount authorised by Parliament. Section 46.1 of the *Act* was amended by Bill C-51, which received Royal assent on December 15, 2009. The Corporation's borrowing authority has been increased to $220,000,000.

Regulatory Requirements

In the establishment and operation of its broadcasting activities, CBC|Radio-Canada must comply with the licensing and other regulatory requirements established by the CRTC under the *Act*, as well as any requirements under the *Radiocommunication Act* which may apply to the Corporation's use of radiocommunication spectrum.

Given the special role of CBC|Radio-Canada in the Canadian broadcasting system, there are limits set out in the *Broadcasting Act* with respect to the CRTC's regulatory authority over the Corporation.

Section 23(1) of the *Act* requires the CRTC to consult with CBC|Radio-Canada, if CBC|Radio-Canada so requests, regarding any license conditions proposed to be applied to the Corporation. If license conditions are applied which the Corporation believes will unreasonably impede its ability to fulfill its mandate under the *Act*, the Corporation may refer the matter to the Minister of Canadian Heritage (23(2)). The Minister may then issue a directive to the CRTC regarding the disputed license condition.

Pursuant to section 24(2) of the *Act*, none of CBC|Radio-Canada's "core" licenses (i.e., conventional television and radio station licenses) may be revoked or suspended without CBC|Radio-Canada's consent. If the CRTC determines that the Corporation has breached a condition of license, the CRTC must forward a report to the Minister of Canadian Heritage

and the Minister must lay the report before Parliament (25).

The Corporation's other broadcasting activities (e.g., speciality television and pay audio services) are subject to the same regulatory regime as is applicable to other industry participants. However, pursuant to section 26(1)(b) of the *Act*, the Governor in Council may direct the CRTC to reserve channels or frequencies for CBC|Radio-Canada. Such a direction need not relate to one of the Corporation's core licenses.

CBC|Radio-Canada's main broadcasting licenses have been administratively renewed by the CRTC to August 31, 2010. The CRTC has announced a preliminary timetable for the license renewal process, with public hearings expected to be held in the spring of 2011. This timetable may be subject to change due to the high volume of regulatory proceedings before the CRTC.

Governance

As indicated above, Part III of the *Act* establishes the governance mechanisms for the Corporation. Pursuant to section 36 of the *Act*, CBC|Radio-Canada has a Board of Directors comprising 12 Directors, including the Chair and the President and CEO, all of whom are appointed by the Governor in Council. Directors are appointed for a term of up to five years. The Chair and the President and CEO may be re-appointed any number of times, but all other Directors are limited to two consecutive terms, unless the third term is as Chair or President and CEO.

The Board of Directors is responsible for the management of the businesses, activities and other affairs of the Corporation which, pursuant to section 40 of the *Act*, is accountable to Parliament through the Minister of Canadian Heritage.

Pursuant to section 45 of the *Act*, the Board must establish two standing committees, one in regard to English-language broadcasting and another in regard to French-language broadcasting. Section 148.1 of the *Financial Administration Act* (*FAA*) requires the Board to establish an audit committee of not less than three Directors. The Corporate Plan, which the Corporation is required to file with Government pursuant to section 54 of the *Act*, must include a statement of the Corporation's objectives for the next five years and its strategy for achieving those objectives, the Capital Budget and the operating budget for the next financial year and any borrowing plans for that year. The Capital Budget is subject to the approval of Treasury Board and any borrowing plans are subject to the approval of the Minister of Finance.

Pursuant to section 55 of the *Act*, the Corporation must also submit to the Minister of Canadian Heritage a summary of the Corporate Plan modified to reflect the financial resources proposed to be allocated to CBC|Radio-Canada by Parliament. The Minister must lay this summary of the Corporate Plan before Parliament.

Section 131 of the *FAA* requires the Corporation to maintain satisfactory books of accounts, while section 132 requires that the Corporation have internal audits conducted in this regard. The Corporation must provide the Minister of Canadian Heritage with such reports of its financial affairs as the Minister may require. The *Act* at section 53(2) states that the Corporation is not required to provide information which could compromise or limit the journalistic, creative or programming independence of the Corporation, to Treasury Board or the Ministers of Canadian Heritage or Finance.

The Auditor General of Canada is the auditor of the Corporation: section 61 of the *Act*. Pursuant to section 132 of the *FAA*, the Corporation must have an annual auditor's report prepared, which is addressed to the Minister of Canadian Heritage. Sections 138 to 142 of the *FAA* require the Corporation to have a special examination of its systems and practices at

least once every 10 years. The auditor's report with respect to this special examination must be submitted to the Board of Directors. If considered necessary by the auditor, after consultation with the Board, the auditor shall bring any relevant information to the attention of the Minister of Canadian Heritage.

Pursuant to section 71 of the *Act*, the Corporation must, within three months after the end of its financial year, provide an Annual Report to the Minister of Canadian Heritage and to the President of the Treasury Board. The Minister must lay the Annual Report before Parliament within a further 15 sitting days.

Finally, in addition to those governance mechanisms set out in the *Act*, CBC|Radio-Canada established a Corporate Policy on Disclosure of Wrongdoings (the "Whistleblower Policy") in 2004, which policy was amended in 2007 to comply with the requirements of the *Public Servants Disclosure Protection Act* (proclaimed in force April 15, 2007).

The Corporation also has an extensive Code of Journalistic Standards and Practices. Complaints from the public, which are not resolved at the program level, are referred to one of the Corporation's two independent Ombudsmen.

With the passage of the *Federal Accountability Act*, CBC|Radio-Canada became subject (on September 1, 2007) to the provisions of the *Access to Information Act* and the *Privacy Act*.

The *Access to Information Act* (*ATIA*) gives the public a right of access to all records held by the Federal Government, Crown Corporations and other Government institutions subject to the *Act*; it also sets out exceptions to that right.

One of the exceptions is that the *Act* does not apply to certain materials. In the case of CBC|Radio-Canada, there is a specific exclusion provided, namely, that the *Act* does not apply to information that relates to CBC|Radio-Canada's journalistic, creative or programming activities.

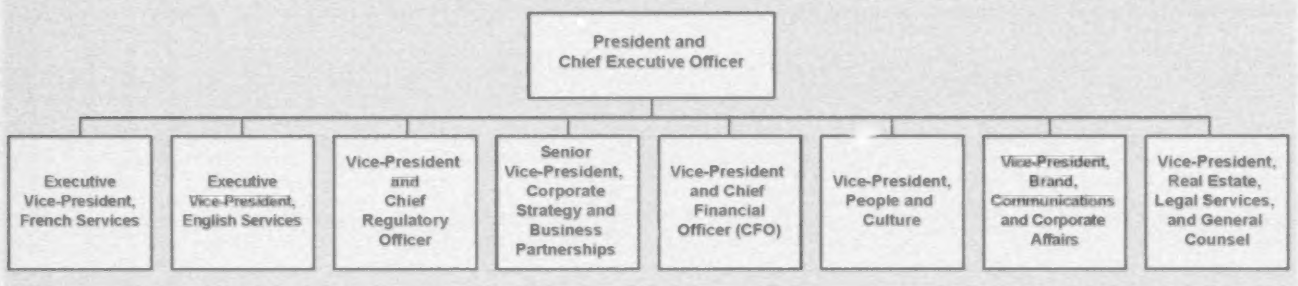
Managerial and Organisational Structure

CBC|Radio-Canada's head office is located in Ottawa, with two main network offices in Toronto and Montréal and 27 regional offices across the country in such major cities as Halifax, Québec City, Calgary, and Vancouver.

The Corporation's organisational structure reflects its broadcasting and related activities, as well as its infrastructure and administrative requirements. There are a total of eight divisions within the Corporation:

1. French Services (Télévision de Radio-Canada, Radio de Radio-Canada and New Media)
2. English Services (CBC Television, CBC Radio and New Media)
3. Regulatory Affairs
4. Corporate Strategy and Business Partnerships
5. Finance
6. People and Culture
7. Brand, Communications and Corporate Affairs
8. Real Estate, Legal Services and General Counsel

CBC|RADIO-CANADA
SENIOR EXECUTIVE TEAM


President and Chief Executive Officer
Executive Vice-President, French Services
Executive Vice-President, English Services
Vice-President and Chief Regulatory Officer
Senior Vice-President, Corporate Strategy and Business Partnerships
Vice-President and Chief Financial Officer (CFO)
Vice-President, People and Culture
Vice-President, Brand, Communications and Corporate Affairs
Vice-President, Real Estate, Legal Services, and General Counsel

These eight divisions report to the President and CEO through their respective divisional heads. The first two divisions (French Services and English Services) are responsible for the programming activities of the Corporation. The remaining divisions assist the main broadcasting activities through management of support functions: people and culture, finance, legal, regulatory requirements, strategy and business partnerships, and communications. All divisions continually assess best practices to ensure that the maximum amount of the Corporation's overall funding is available for broadcasting activities.

The Senior Executive Team (SET) of the Corporation includes the President and CEO and the eight divisional heads.